

**CITY OF MORGAN HILL  
JOINT SPECIAL AND REGULAR CITY COUNCIL AND  
SPECIAL REDEVELOPMENT AGENCY MEETING  
MINUTES - SEPTEMBER 18, 2002**

**CALL TO ORDER**

Mayor/Chairperson Kennedy called the meeting to order at 5:01 p.m.

**ROLL CALL ATTENDANCE**

Present: Council/Agency Members Sellers, Tate; and Mayor/Chairman Kennedy  
Late: Council/Agency Members Carr (arrived 5:04 p.m.) and Chang (arrived 5:05 p.m.)

**DECLARATION OF POSTING OF AGENDA**

City Clerk/Agency Secretary Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2

***City Council and Redevelopment Agency Action***

**CLOSED SESSIONS:**

City Attorney/Agency Counsel Leichter announced the below listed closed session items. She indicated that under Closed Session 2, one is based on a threat of litigation by James Allivato to City Manager Tewes on September 18, 2002.

**1.**

**PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

Pursuant to Government Code 54957

Public Employee Performance Evaluation: City Attorney

Attendees: City Council, City Attorney

**2.**

**CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**

Significant Exposure/Initiation of Litigation

Authority: Government Code Sections 54956.9(b) & (c)

Number of Potential Cases: 2

**3.**

**CONFERENCE WITH LEGAL COUNSEL - POTENTIAL AND EXISTING LITIGATION:**

**CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

Legal Authority: Government Code 54956.8 & 54956.9(a) & (c) (1 potential case)

Real Property(ies) involved: APN 728-31-007 & 008; 25.50 acres located on the southwesterly side of Cochrane Road (St. Louise Hospital property)

City Negotiators: Agency Members; Executive Director; Agency Counsel; F. Gale Conner, special counsel; Rutan & Tucker, special counsel

Case Name: San Jose Christian College v. City of Morgan Hill

Case Numbers: Ninth Circuit Court of Appeal No. 02-15693

Closed Session Topic: Potential Existing Litigation/Real Estate Negotiations

4.

**EXISTING LITIGATION:**

Case Title: Kennedy et al. v. Davis et al.

Case Name/No.: Santa Clara County Superior Court Case No. CV 803679

5.

**CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**

Authority: Government Code section 54956.9(a)

Case Name/Number: City of Morgan Hill et al. v. CalPERS; OAH No. 5119

Court: Board of Administration, California Public Employees' Retirement System

Attendees: City Council, City Manager, City Attorney

**OPPORTUNITY FOR PUBLIC COMMENT**

Mayor/Chairperson Kennedy opened the closed session items to public comment. No comments were offered.

**ADJOURN TO CLOSED SESSION**

Mayor/Chairperson Kennedy adjourned the meeting to closed session at 5:02 p.m.

**RECONVENE**

Mayor/Chairperson Kennedy reconvened the meeting at 7:05 p.m.

**CLOSED SESSION ANNOUNCEMENT**

City Attorney/Agency Counsel Leichter announced that the closed session items were continued to the conclusion of the regular agenda.

**SILENT INVOCATION**

Mayor/Chairperson Kennedy introduced "Mayor for the Day" Katie Rick, Website Contest Winner.

Mayor for the Day Katie Rick called the meeting to order.

**PLEDGE OF ALLEGIANCE**

At the invitation of Mayor Kennedy, "Mayor for the Day" Katie Rick led the Pledge of Allegiance.

**PROCLAMATIONS**

Mayor Kennedy presented a proclamation of "Mayor for the Day" to Katie Rick. He indicated that Miss Rick chose to be "Mayor for the Day" as her prize for being a winner in the City's Website Contest. Mayor Kennedy commended Ms. Rick for her interest in City government.

Mayor/Chairperson Kennedy proclaimed the week of September 17 through 23, 2002 as *Constitution Week*. This proclamation was received by Ms. Nathalie Averett of the Daughters of the American Revolution.

### **CITY COUNCIL REPORT**

Council Member Sellers reported that he is a member of the Community and Cultural Center Grand Opening Committee and that it is a goal to have grand opening ceremonies taking place the week of December 7 through 14. He said that the ceremonies are being planned to showcase the many aspects of the Center during the course of the week. He encouraged citizens interested in participating in the grand opening activities to contact City staff. He indicated that the San Jose Mercury included an article on the Community and Cultural Center in the September 14, 2002 issue. The article indicated that the Center is the first of many new facilities that the City and the community will be looking at in the next 3 to 4 years such as the indoor recreation center, aquatic center, and new sports fields. He indicated that three members of the Council will be visiting 4 to 5 indoor recreation centers in Colorado to see how these facilities were built and are being used. The Council will bring back what is learned at the site visits in order to make the City's facilities even better.

Mayor Kennedy said that one of the complaints the Council often hears is that there is nothing for the teens of Morgan Hill to do. He indicated that the Council is working on trying to build more facilities that can be used by youth. He requested that youth be patient as the construction of the aquatic center and the new teen center are built.

Council Member Tate noted that expanded library space is also proposed.

### **CITY MANAGER'S REPORT**

City Manager Tewes updated the Council on a long range strategic issue that staff has been working on. He indicated that the Council considered a Fire and Emergency Medical Services Master Plan approximately a year ago. He stated that the Master Plan suggests that over the next decade, the City will need to make some major changes in staffing patterns, equipment, and locations of fire stations. As this was such a major and long range issue, the Council directed staff to see if the City could extend the current Fire Services Contract. He was pleased to report that staff has begun fruitful discussions with the Fire District regarding the extension of the contract and would not wait until 2005 to begin the negotiations.

### **CITY ATTORNEY'S REPORT**

City Attorney Leichter stated that she did not have a City Attorney's report to present this evening.

### **OTHER REPORTS**

None.

## **PUBLIC COMMENT**

Mayor/Chairperson Kennedy opened the floor to comments for items not appearing on this evening's agenda.

Debra Grove, President of the Pride of Morgan Hill, stated that the last time she was before the City Council she requested that the City not impose user fees. She thanked the Council for not imposing the user fees on facilities as it was the right decision to make. She indicated that the girls 12 & under team placed in several tournaments. Without the support of the community, she did not believe that the girls could have performed at the caliber that they were able to perform this year. She introduced Gene Ciraulo, head coach, who in turn introduced the 12 & under softball team members. He thanked the Council for allowing the use of softball facilities. It was noted that the team placed fourth in the United States.

Mayor Kennedy stated that the Council is very proud of the accomplishments of the Pride of Morgan Hill Softball Association for the wonderful achievements that have been attained.

No further comments were offered.

## ***City Council Action***

### **CONSENT CALENDAR:**

**Action:**        *On a motion by Council Member Tate and seconded by Mayor Pro Tempore Carr, the City Council, on a 4-0 vote with Council Member Chang absent, **Approved** Consent Calendar Items 1-12 as follows:*

1.        **ESTABLISH NEW CLASSIFICATION AND SALARY RANGE FOR NEW POSITION OF "FACILITIES MAINTENANCE SPECIALIST"**

**Action:** **Adopted** *the New Job Description and Salary Range for the Position of Facilities Maintenance Specialist.*

2.        **CONTRACT FOR CONSULTANT PLANNING SERVICES**

**Action:** **Authorized** *the City Manager to Execute a Consultant Services Agreement for Contract Planning Services at a Cost Not to Exceed \$30,000, Subject to Review by the City Attorney.*

3.        **COMMUNITY AND CULTURAL CENTER PROJECT AUGUST CONSTRUCTION PROGRESS REPORT**

**Action:** **Information** *only.*

4.        **FINAL MAP ACCEPTANCE FOR CAPRIANO PHASE IV (TRACT 9451)**

**Action(s):** **Approved** *the Final Map, Subdivision Agreement, and Improvement Plans; **Authorized** the City Manager to Sign the Subdivision Improvement Agreement on Behalf of the City; and **Authorized** the Recordation of the Map and the Subdivision Improvement Agreement Following Recordation of the Development Improvement Agreement.*

5. **ACKNOWLEDGMENT OF NO BIDS FOR PUBLIC WORKS OFFICE EXPANSION PROJECT**

**Action:** **Acknowledged** That No Bids Were Received; and **Authorized** Staff to Negotiate Purchase Orders with Qualified Sub-contractors with Help from the Building Maintenance Division to Perform the Work per Public Contract Code Section 20166.

6. **AMEND CONSULTANT AGREEMENT WITH RMW ARCHITECTS FOR DESIGN OF PUBLIC WORKS OFFICE EXPANSION PROJECT**

**Action:** **Amended** Consultant Agreement with RMW Architects for Design of the Public Works Office Expansion Project, Subject to City Attorney Approval.

7. **ACCEPT AS COMPLETE THE MADRONE AVENUE UNDERPASS SEISMIC RETROFIT PROJECT**

**Action:** **Accepted** as Complete the Construction of the Madrone Avenue Underpass Retrofit Project in the Final Contract Amount of \$48,161.56; and **Directed** the City Clerk to File the Notice of Completion With the County Recorder's Office

8. **ACCEPTANCE OF SUBDIVISION IMPROVEMENTS FOR TRACT 9210, MISSION RANCH PHASE IV - Resolution No. 5615**

**Action:** **Adopted** Resolution No. 5615, Accepting the Subdivision Improvements Included in Tract 9210, Commonly Known as Mission Ranch Phase IV; and **Directed** the City Clerk to File a Notice of Completion with the County Recorder's Office

9. **AUGUST 2002 FINANCE AND INVESTMENT REPORT**

**Action:** **Accepted** and **Filed** Report.

10. **FINAL FISCAL YEAR 2001/2002 BUDGET ADJUSTMENTS**

**Action:** **Approved** Proposed Final Budget Adjustments for the 2001/2002 Fiscal Year.

11. **SPECIAL CITY COUNCIL MEETING MINUTES FOR AUGUST 29, 2002**

**Action:** **Approved** the minutes as written.

12. **SPECIAL CITY COUNCIL MEETING MINUTES FOR SEPTEMBER 4, 2002**

**Action:** **Approved** the minutes as written.

***City Council and Redevelopment Agency Action***

**CONSENT CALENDAR:**

**Action:** On a motion by Council/Agency Member Tate and seconded by Mayor Pro Tempore/Agency Member Carr, the City Council/Redevelopment Agency Board, unanimously (5-0) **Approved** Items 13 and 14, as follows:

13. **MINUTES FOR JOINT SPECIAL AND REGULAR REDEVELOPMENT AGENCY AND SPECIAL CITY COUNCIL MEETING OF AUGUST 28, 2002**

**Action:** **Approved** the minutes as written.

**14. MINUTES FOR JOINT SPECIAL AND REGULAR REDEVELOPMENT AGENCY  
AND SPECIAL CITY COUNCIL MEETING OF SEPTEMBER 4, 2002**

**Action:** *Approved the minutes as written.*

***City Council Action***

**CONSENT CALENDAR:**

Council Member Sellers requested that item 15 be removed from the Consent Calendar as he would have to recuse himself from this item.

Council Member Chang entered and took her seat on the dias. She also recused herself from item 15.

**Action:** *On a motion by Council Member Tate and seconded by Mayor Pro Tempore Carr, the City Council, on a 3-0 vote with Council Members Chang and Sellers recusing themselves, **Approved** Consent Calendar Item 15 as follows:*

**15. ACCEPT AS COMPLETE THE 2001-2002 PAVEMENT RESURFACING PROJECT  
PHASE II - DOWNTOWN MONTEREY ROAD**

**Action:** *Accepted as Complete the Construction of the 2001-2002 Phase II Street Resurfacing and Reconstruction Project - Downtown Monterey Road in the Final Amount of \$426,168.32; and **Directed** the City Clerk to File the Notice of Completion with the County Recorder's Office.*

Mayor Kennedy indicated that it would be his goal to start item 24 no later than 9:00 p.m. Therefore, he would try to keep the Council on a tight schedule.

**PUBLIC HEARINGS:**

***City Council Action***

**16. AMENDING OF MUNICIPAL CODE SECTION 17.50.094 REGARDING PAYMENT  
OF DEVELOPMENT IMPACT FEES - Ordinance No. 1584, New Series**

City Manager Tewes presented the staff report.

Mayor Kennedy opened the public hearing. No comments being offered, the public hearing was closed.

**Action:** *On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council unanimously (5-0) **Waived** the reading in full of Ordinance No. 1584, New Series.*

**Action:**        *On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council **Introduced** Ordinance No. 1584, New Series, by Title Only, as follows:*  
**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING SECTION 17.50.094 (Imposition of Development Fees) OF CHAPTER 17.50 (VESTING TENTATIVE MAPS) OF TITLE 17 (SUBDIVISIONS) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL REGARDING PAYMENT OF DEVELOPMENT IMPACT FEES** by the following roll call vote: *AYES: Carr, Chang, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.*

**17.    ANNEXATION APPLICATION, ANX-02-01: COCHRANE-BORELLOI - Resolution No. 5614**

Director of Community Development Bischoff presented the staff report.

Mayor Kennedy opened the public hearing. No comments being offered, the public hearing was closed.

**Action:**        *On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council unanimously (5-0) **Adopted** Resolution No. 5614.*

**OTHER BUSINESS:**

**18.    DEVELOPMENT PROCESSING SERVICES STUDY**

Assistant to the City Manager Dile presented the staff report. She indicated that Joe Colgan with Maximus was in attendance to make a presentation of the study that was conducted on the City's development processing services, including his findings and recommendations based upon the study. She stated that staff would return at a later date with a management response to the study for Council consideration.

Mr. Colgan presented an overview of the Development Processing Services Report. He indicated that the study assessed the efficiency and effectiveness of the process, including the departments or divisions involved in the process. This required the review of resources, organizations and the processes that are used in processing applications for development approval as well as the effectiveness of the process for carrying out the City's ordinances and regulations. He felt that it was important to assess customer expectations and how well they are being met. He stated that there were discussions with City customers in order to determine how well the process is working and what issues they may have with the process. The City also wanted to look at the role of the Business Assistance and Housing Services (BAHS) as ombudsman for businesses and developers in order to determine how well this is working. He identified cross departmental recommendations (e.g., use of Tidemark System in order to share information and to check project status; creation of a one-stop-permitting, use of the economic development coordination group to designate economically important projects for expedited processing, fill planning vacancy including the hiring of a half-time contract planner, upgrade performance standards and improve performance measurements in planning, base site and architectural review on definitive standards, as the City goes through the

review of Measure P, changes be made to speed the process and reduce work load, change practices in planning in order to reduce work loads, use blanket contracts for environmental reviews versus contracting individually for each project, change practice of maintaining separate files for different application types).

Council Member Tate said that the City put the ombudsman program in place to cut through the bureaucracy and to expedite the process. He said that it appears that the solution to make the process work includes additional bureaucracy. He was struggling with Mr. Colgan's recommendation in terms of whether the City should even provide this service.

Mr. Colgan noted that the economic development coordination group is in place and meets on a monthly basis. He said that there may be cases where a project is critical enough that it may not be able to wait until the committee meets to take action. Therefore, there may be cases where review has to be done outside the formal committee structure. It was his belief that the process has not worked as well as it should in the past and the issue is trying to be addressed via this recommendation. There needs to be a realistic assessment of whether or not it is possible to commit to a certain timeline. He felt that it was important for the applicant to know that they have responsibilities that need to be met to make the process work.

Council Member Sellers stated that he would hate to assign someone the responsibility without giving them authority. He felt that success would depend on the commitment and focus of resources from other staff members. He indicated that this may be a bigger issue because there are some staff members working with a different department staff members and that this can be counter productive. He inquired as to what other cities have done to effectively break through this log jam?

Mr. Colgan responded that he did not cite best practices that were specific in point for this issue. However, he agreed with Council Member Sellers that the burden on BAHS has been that they make the effort to get projects through the process as quickly as possible. He noted that the process is out of their control.

Council Member Sellers requested that the Measure P Update Committee address changes to Measure P that would speed up the process and reduce the work load.

Mr. Colgan indicated that there are two recommendations proposed for engineering: 1) reduce engineering processing time; and 2) develop fast track processing procedures for simple projects. He identified the following building division recommendations: 1) refine plan check timelines; 2) respond to 95% of inspection requests within one work day; 3) create full time position for a building maintenance supervisor; 4) reclassification of one inspector position to a senior inspector to supervise the inspection function and participate in plan check; and 5) development of detailed plan check application brochures.

Mayor Kennedy noted that Mr. Colgan indicated that he did not have bench mark data for some of the timelines outlined for various parts of the recommendations?

Mr. Colgan stated that the report includes a best practices that lists individual practices and also indicates whether, and to what extent, the City is currently meeting the standards. He indicated that he has information on what other cities have been able to do that he believes are the best practical



timelines, noting that the report includes a best practices section that lists individual practices and to what extent the City is meeting those current standards.

Mayor Kennedy stated that he was pleased and impressed to see that a very thorough report was prepared.

Council Member Sellers inquired how the City would track the recommended implementation plan?

Mr. Colgan responded that it is important to have a systematic way of measuring performance once the standards are adopted so that managers know how well they are doing or whether corrective actions are needed. The report recommends that monthly and annual reports be provided to measure how well the various divisions are doing in meeting their performance standards.

Council Member Sellers felt that it was important to be able to measure how departments are doing compared to other agencies. He felt that the City needs to know that it is performing better based on the recommendations provided.

City Manager Tewes indicated that staff would be returning to the Council in a week or two to respond to the report. He stated that there are few issues that staff takes exception to. Staff may differ about timelines as to when recommendations can be accomplished. When staff returns to the Council, staff will provide the Council a schedule that the Council and the community can monitor progress as the City moves forward with the recommendations.

Council Member Tate stated that he was impressed with the study and that it was obvious that Mr. Colgan had a lot of cooperation from the staff and that no issues were avoided. He said that overall, the recommendations are on target, agreeing that some of the recommendations were objective and measurable.

Mr. Colgan stated that staff was involved, helpful and approached this issue in order to achieve positive results. He stated that he enjoyed working with staff and the Council.

Mayor Kennedy opened the floor to public comment. No comments were offered.

Mayor Pro Tempore Carr concurred with Council Member Tate that the study and recommendations were impressive and coming at a good time for review, both in the perspective of the Measure P update and economic development. He felt that this would help the Council in a lot of other things that it is doing. He felt that today's budget situation would need to be taken into account when the recommendations are considered.

City Manager Tewes stated that the current budget situation is an important issue. He said that timelines would need to be scheduled with the resources available in order to come up with a plan on how they can be accomplished.

**Action:**        *By consensus the City Council **Received** the Report on the City of Morgan Hill Development Processing Services; and **Directed** Staff to respond to the Consultant's Recommended Actions at a future City Council meeting.*

## **19. STATUS REPORT ON BUS SHELTERS**

Director of Public Works Ashcraft presented the staff report. He informed the City Council that staff was notified by the Valley Transportation Authority (VTA) that they are expanding the bus shelter program and that they are negotiating with the company who provides/maintains bus shelters to add more shelters countywide. He said that it is staff's belief that by the end of this year, the City would have a modified agreement that would come before the Council that would add 4-6 new bus shelters in the community, doubling the amount of bus shelters in Morgan Hill at no cost to the City. He said that approximately \$900 per year comes to the City on the existing four advertising bus shelters. This amount could be doubled if the bus shelters increased to 8-9 shelters. He said that there are grants available to secure bus shelters. However, when the grant opportunities come through, the funding sources are fairly small and that more than likely, most of the fundings would go to larger cities who have a greater ridership. He stated that it is staff's recommendation that the City continue to partner with the VTA. He indicated that the City currently has approximately 28 bus benches and four bus shelters for the 64 bus stops in Morgan Hill.

Council Member Sellers inquired if the City made a final determination that it would have the resources to install the new bus shelter at Dunne Avenue and Monterey Road? Mr. Ashcraft responded that the bus shelter is in the design phase.

Mayor Pro Tempore Carr inquired if staff had an idea of where the possible 4-6 new bus shelters would be installed.

Mr. Ashcraft responded that VTA has indicated that the City would be able to identify the location of the highest ridership stops to place the new 4-6 bus shelters. He expected that the bus shelters would be installed along Monterey, Dunne and Tennant Avenue as they are wide enough to accommodate the installation of bus shelters.

Mayor Pro Tempore Carr felt that the City needs to give thought to the location of bus shelter installation as the City is spending a lot of time going through a downtown update that talks about designs. If the City allows a bus shelter that is not a design that it would pick in an area that allows advertisement, the city might not be pleased with the location selected by VTA/vendor. He wanted to make sure that conversation relating to design of bus shelters be undertaking before a site is chosen for an advertising spot.

Mr. Ashcraft informed the City Council that the City has to approve a VTA contract amendment before any new shelters are provided. He said that when he brings back the agreement before the Council at the end of the year, staff would be able to review the possible bus shelter sites.

Mayor Kennedy recommended that benches be installed in areas where bus shelters cannot be accommodated such as East Dunne, just west of the St. Catherine's Hall.

Mayor Kennedy opened the floor to public comment. Robert Benich stated that it was gratifying to hear that VTA would be expanding their program. He expressed concern that the City would be taking a sit back approach, accepting whatever VTA decides to give the City. He would like the City to be more aggressive in the installation of benches such as Watsonville Road and Santa Teresa

Boulevard. He recommended that benches be installed at every bus stop, especially for the elderly who need a place to sit. He noted that the City is upgrading its image with all of the buildings that are taking place. He felt that the City has to put forth a good image for Morgan Hill, including the design of the bus stops. No further comments were offered.

City Manager Tewes indicated that staff would be bringing back a contract with VTA for Council consideration. He requested Council direction regarding the recommendation that benches be installed at every bus stop.

Mayor Kennedy recommended that the quality of bus stops needs to be consistent with the new facilities being built and that they are incorporated in the plan.

Mr. Ashcraft informed the Council that the VTA has requested that staff provide them with a list of bench locations. He said that VTA would agree to install a few benches, assuming that there is room to install them. He noted that the design of the bus shelter to be installed at the Community and Cultural Center has been budgeted at \$25,000. Installation of many of these throughout the community would be a large budget impact. He said that in two months, when staff returns with the VTA contract, the Council can view and weigh the cost of bus shelters similar to the one to be installed at the Community and Cultural Center. He said that he would agree to contact VTA to see if they are willing to install benches. He felt that VTA would agree to install benches as long as they believe that they have the ridership to justify the expense.

Mayor Kennedy suggested that staff make the request that VTA install benches in the top ridership bus stop locations.

City Manager Tewes said that it would be staff's intention, when it brings the VTA agreement back to Council for its consideration, that staff would identify the top 8 or 10 ridership stops. Staff would make a recommendation for bench installation and the Council can select the sites at that time. Staff would also bring the architectural renderings for the bus shelters, including the location for the installation for bus benches.

Council Member Sellers noted that the City can replace a bus shelter with a nicer designed bus shelter if found inappropriate in the downtown area or other key locations.

**Action:**        *By consensus, the City Council **Received** a Status Report on Bus Shelters and provided the above identified comments.*

## **20.    STATUS REPORT ON IMPLEMENTATION OF THE CITY'S BIKEWAYS MASTER PLAN**

Deputy Director of Public Works Bjarke presented the staff report. He indicated that the Bikeway Master Plan identified priorities for staff to work toward. He noted that the Master Plan was put together in coordination with the countywide bicycle master plan and that this is important as the City goes after bicycle grant funding. He indicated that some of the obstacles that the City is encountering is the fact that the City has a discontinuous city boundary, particularly on the east side of town as several portions of the Coyote Creek trail right of ways are within the County's

jurisdiction. This is a difficult project to implement.

Mayor Kennedy indicated that he requested that this report be brought before the City Council. He noted that the connection to the Coyote Creek trail dead ends into one of Morgan Hill's development, and that there is no signage to indicate where an individual is and where you can go if you want to access downtown Morgan Hill. He felt that there may be some inexpensive things that can improve the situation such as the installation of signage and lane markings that would have major results without a lot of expense.

Mr. Bjarke felt that Mayor Kennedy's suggestions were good ones and would be low-cost efforts to point individuals to streets that make sense or that are the safest routes to get into Morgan Hill and other bike paths and lanes in Morgan Hill.

Mayor Kennedy said that he did not want to usurp the Bicycle & Trails Advisory Committee's (BTAC) responsibilities nor authority. He wanted to make sure that everyone is working together to address these issues. He inquired whether the process is working or whether anything needs to be done to make the process work better?

Mr. Bjarke informed the Council that in his short tenure with the City, there has been a problem in getting a quorum of the BTAC. Therefore, no official business can take place to move business to the Parks and Recreation Commission.

Mayor Pro Tempore Carr noted that approximately 42% of funding has to come from the county as the project extends into county property/jurisdiction. He inquired if a grant application would include both the City and County's fair share?

Mr. Bjarke responded that staff is working within the City's right of way when it comes to grant applications. He indicated that one of the grant priority areas is getting access to Live Oak High School along Main Avenue. Staff submitted two grant applications for this project under the Safe Off to School Program. Staff submitted a project that included the widening of Main Avenue on the City's side of the jurisdiction. He stated that there has not been a coordinated effort with the County in terms of grant application. He indicated that staff would be willing to open communications with the County to see if it would afford the City greater success with a multi jurisdictional approach on grant application.

Mayor Kennedy stated that under Measures A and B there is approximately \$10 million earmarked for bicycle and pedestrian activities and programs. He noted that there is a County Bicycle Advisory Committee in place and that the City had a representative serving on this Committee who subsequently moved to a different community. He suggested that staff follow up with the VTA, through the appropriate channels, to see if there are funds available to help make the connections needed in the county areas.

Mr. Bjarke indicated that one of the Bicycle and Trails Advisory Committee members serves on the VTA committee.

Mayor Kennedy opened the floor to public comment. No comments were offered.

**Action:**        *By consensus, the City Council **Received** the Status Report on Implementation of the City's Bikeways Master Plan.*

## **21.     COMMUNITY AND CULTURAL CENTER NAMING**

Director of Community Development Bischoff presented the staff report and requested Council direction with respect to names for the Center, each of the buildings, and rooms.

Council Member Tate said that he was under the impression, from a previous meeting, that the Council had come to consensus that it wanted to mix and match the names, agreeing to the name of the buildings. Also, the Council would ask the Historical Society for recommended names and guidance. It was his belief that at the last tour of the campus that the Council would discuss names further and noted that this did not take place. He indicated that he submitted his suggested names to Mr. Bischoff and requested that this issue be agendaized for Council discussion. He stated that he had specific problems with the dance and the fine art rooms being named after rugged outdoor names. Even though Henry Coe might have been a fine arts individual, he is known for the largest park in California, an outdoor venue. Therefore, he did not believe that this would be an appropriate name for the fine arts room. He felt that the Valley Oak name has the same connotation. He recommended that names be given to these rooms that would be appropriate for the use. He felt that Henry Coe could be used for the outdoor amphitheater. Also, there is Hispanic heritage in the community and felt that the name Machado should be used somewhere as a well recognized Hispanic name within the community. Diana Murphy was used as a name for one of the rooms, noting that Morgan Hill has a lot of history of other Murphys within the community. He recommended using the name "Murphy" rather than specifying an individual Murphy in order to honor several of Morgan Hill's heritage individuals. He felt that "Poppy Jasper" would be a fitting name for the ceramics room. He recommended that the conference room be named the "Machado Room."

Council Member Chang did not believe that a rugged name should be used for the fine arts room. She felt that Diana Murphy would add a feminine touch to the room name.

Council Member Sellers stated his concurrence with Council Member Tate's naming suggestion with the exception of two names. He recommended that the naming of the amphitheater and the rose garden be deferred at this time. He felt that there may be sponsorship opportunities that may be realized or to honor someone who has not been raised at this time. He would agree to changing the dance room to "Mira Monte," the fine arts room as "Diana Murphy," and the multi purpose room as "Madrone."

Mayor Pro Tempore Carr inquired if it would make sense to use a theme in the names that are of historical/significance, a geographical resources, or natural resources versus having a hodge podge of names?

Council Member Tate stated that theme names were discussed at the last meeting and that he and the Mayor agreed that they liked the hodge podge approach as it was reflective of Morgan Hill.

Mayor Pro Tempore Carr stated that he likes the idea of using theme names because too frequently,

the City jumps to naming things, He noted that there is never discussion of why names are chosen. It was his hope that thought would be given to the names chosen so that individuals can learn a little about history and the association with the names versus giving names already being used in town.

Council Member Tate stated that he likes the center being tied to different things and not just being named after different families. He still liked the multiplicity approach and would agree that the names should be related. He recommended that the City seek assistance from the Historical Society in the naming effort.

Mayor Kennedy opened the floor to public comment.

Robert Benich, 498 Via Sorrento, felt that the naming process is important and should be given due consideration. He felt that a lot of thought has been given to the naming by the Council. He stated that he likes the variety of names being contemplated. He identified three things that he did not believe that the buildings should be named: A, B, C; 1, 2, 3; or north, south, east, or west. He did not believe that it would be appropriate that the names be of former mayors or council members. The names should not be dumb sounded such as "No Name Uno" building. He offered three suggestions: 1) names should be chosen from true historical figures or founders of the City; 2) it would be appropriate to select names of local significance of flora, fauna or geological rock formations; 3) and to have Spanish sounding names that reflect the heritage and history of this land. He felt that a good effort has been done in naming the individual rooms but that he was still left a little cold with the names proposed for the campus buildings. However, it does not mean that the Council could not come back and give further consideration to the names.

Carol Holzgrafe was pleased with most of the names identified. She requested that the Council give further consideration to the community playhouse such as naming it the "Morgan Hill Playhouse." She felt that the use of the name "community" is a mouthful and that it is used a lot.

No further comments were offered.

**Action:**        *On a motion by Council Member Sellers and seconded by Council Member Tate the City Council unanimously (5-0) **Selected** the following names for the Community and Cultural Center:*

<b><u>Campus:</u></b>	Morgan Hill Community and Cultural Center
<b><u>Buildings:</u></b>	Community Center
	Gavilan College Satellite Campus (or alt. approved by Gavilan)
	Morgan Hill Community Playhouse
	Children's Pavilion

<b><u>Individual Rooms:</u></b>	
Large Multi-Purpose Room:	Hiram Morgan Hill Room
Octagonal Room:	El Toro Room
Dance Room:	Villa Mira Monte Room
Fine Arts Room:	Diana Murphy Room
Ceramics Room:	Poppy Jasper Room

Conference Room: Machado Room  
Multi-Purpose Meeting Room: Madrone Room  
Rose Garden: (Naming Deferred)  
Amphitheater: (Naming Deferred)

**22. REVIEW UPCOMING MEETING SCHEDULE FOR OCTOBER 2, 2002**

Mayor Pro Tempore Carr indicated that he would not be able to attend the October 2 Council meeting. Knowing that this is the eve of the League of California Cities' annual conference, he did not know Council Members travel schedules. He did not know if there were any other Council Members who would also have difficulty attending the October 2 meeting. If so, he felt that the meeting could be rescheduled. If he is the only Council Member who has a conflict that evening, he did not believe the meeting should be rescheduled.

Council Member Tate indicated that the Council previously discussed this issue and that the Council made the decision to hold the October 2 meeting. He stated that he made other arrangements to make sure that he was able to attend the October 2 meeting.

Mayor Kennedy stated that changing the meeting would cause a problem for him as he would be leaving on his trip to San Casciano the following week.

Council Member Sellers noted from the minutes of October 2 state that the Council requested that staff do everything possible to make the October 2 a short meeting. If this can be done, he would recommend that the meeting schedule remain as previously agreed to.

**Action:** *It was the consensus of the City Council to **retain** its October 2, 2002 meeting.*

**23. ADOPTED ORDINANCE NO. 1583, NEW SERIES**

**Action:** *On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council **Adopted** Ordinance No. 1583, New Series, by Title Only, as follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A DEVELOPMENT AGREEMENT, DA-02-02: COCHRANE-COYOTE ESTATES FOR APPLICATION MP 01-02: COCHRANE-COYOTE ESTATES (APN 728-43-020) by the following roll call vote: AYES: Carr, Chang, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.***

***City Council and Redevelopment Agency Action***

**OTHER BUSINESS:**

**24. DRAFT ECONOMIC DEVELOPMENT STRATEGY GOALS, POLICIES, AND ACTIONS**

Director of Business Assistance and Housing Services Toy presented the staff report. He requested Council direction on the goals contained in the staff report and whether or not they met the Council's

discussion based on comments from the last workshop. Also, staff would like to know if the Council believes the policies meet these goals. He indicated that staff has prepared actions for implementation of the policies as well as raising issues and concerns for Council consideration. He indicated that the City has approximately \$4.3 million available for the economic development strategy.

Council/Agency Member Tate did not understand what was meant by the term "environment" as contained in Goal 3 as he did not know if it meant something physical or whether it was an attitude.

Mr. Toy responded that the intent of the word "environment" refers to the business environment in terms of whether it is an image or perception or whether it is actually physical in terms of assembling parcels, streamlining process, etc. He stated that it was more of a generic term and that staff could come up with a different term that was more descriptive of what is trying to be addressed.

Mayor/Chairman Kennedy did not see a problem with the term environment as it creates an atmosphere surrounding a series of conditions.

Council/Agency Member Tate stated that he did not understand if it was a physical environment as he did not believe that atmosphere was a physical environment. He felt that atmosphere was more descriptive to him versus the term environment and that he would prefer the use of the term atmosphere.

Council/Agency Member Sellers recommended the use of "business environment."

Mayor/Chairman Kennedy recommended that staff consider other words that would better describe goal 3.

Council/Agency Member Tate referred to goal 4 and indicated that " . . . while providing a shopping convenience presently lacking in the community" implies that the City would want to attract any retail business that does not already exist in the community. He indicated that he has total buy in on this goal.

Mr. Toy indicated that goal 4 implies that the City would target the sales leakage. He said that the Council has policies that can be used to quantify and qualify the goal.

Council/Agency Member Tate stated that he would like goal 4 to be more selective as it was his belief that the goal was on the right track but was too broad.

Mayor Pro Tempore/Agency Member Carr stated that he liked Goal 4 and agreed that staff can define it further to capture what the Council really means in the policies and actions. One of the words that he would add to Goal 4 is "Attract those businesses that generates new sales and use tax revenue to the community . . . " He did not believe that the City should continue to cannibalize the existing sales tax base. He was not sure whether the Council articulated properly the idea of filling in existing industrial and commercial spaces and recommended that an action or policy be added that would help the City fill these spaces.



Mr. Toy noted that filling in commercial and industrial spaces are contained under Policy 5.d.

Council/Agency Member Tate referred to the action under Goal 1, Policy 1e that requires the preparation of a report on recommended actions. He did not believe that evaluations were reflected in the action. He recommended that the action be stronger or more descriptive with regards to what the City would do in terms of the evaluation.

Council/Agency Member Sellers said that he would like references elsewhere in the economic development strategy. He felt that there were overlaps in policies that would come back to Goal 5 such as considering which industries to promote. He recommended that attention be given to business impacts on economic development and that these businesses compliment existing industries. He said that the goal of trying to capture emerging industries of technologies and new industries are two fold: 1) the City should make sure it is in the next wave, particularly because the City has large business parks, and 2) as the City starts to develop a momentum, it needs to keep the momentum going.

Mayor Pro Tempore/Agency Member Carr felt that this was an important policy statement and that he was pleased to see it included. He agreed with Council/Agency Member Tate about actions being more descriptive. He said that the Council/Agency has had several meetings where it stated that it was important to evaluate items. He has previously inquired how the City evaluates what Morgan Hill has to offer against what an industry may be looking for. He was glad to see that staff used the word "evaluate" as it is appropriate. He felt that the Council may wish to make some changes to the General Plan in this document. He referred to Policy 1a ii - "Generates revenue to City's General Fund such as retail and point of sale manufacturing." He wanted to make sure that the City is talking about new revenue. It was important that the City is not cannibalizing the existing base that it has. He requested that this be inserted where appropriate. Regarding policy 1d, he agreed with a diversified economic base. However, the last sentence encourages agricultures as an appropriate part of the economic mix. He did not believe that the word "encourage" is the right word to use. He said that agriculture in the Morgan Hill today is one that several of the Council members have fought hard to maintain and protect. He felt that what this is trying to be addressed is maintaining the agriculture in place today and not encourage it like it would industry growth.

Mayor/Chairman Kennedy suggested the use of the word "support" of agriculture such as the existing vineyards and wineries.

Mayor Pro Tempore/Agency Member Carr said that the reality of the future of agriculture is not in Morgan Hill. If there is an existing agricultural use today and the City can find ways to maintain it as its current use. When he thinks about encouraging agricultures as an appropriate part of the economic mix, this means the growth of agriculture to him. He was not sure if agricultural growth is realistic.

Council/Agency Member Tate felt that there was a better way to restate policy 1d and can be restated at a later date.

Mayor Pro Tempore/Agency Member Carr noted that policy 1d did not include an action statement for Council consideration.

City Manager/Executive Director Tewes said that the General Plan talks about preserving agricultural as part of the larger community's heritage. The General Plan contains examples where the City has designated land uses that are inconsistent with some existing agricultural uses, including agricultural processing facilities that exist in the urban planning area that has been designated for another use. The General Plan identifies an action item such as a greenbelt study and others to try to identify hard edges where the City can ensure that the urban-agricultural interface is protected.

Mayor Pro Tempore/Agency Member Carr noted that the term "preserve" was used and felt that there were some agricultural uses that the City would not want to preserve. He felt that discussion was more about the existing base and not encouraging growth of the agricultural base as it is not a reality.

Mr. Toy indicated that this is an economic development strategy before the Council and that the Council/Agency could delete the sentence.

Mayor/Chairman Kennedy recommended that the sentence be retained with the use of another word other than "encourage" that would not be as strong.

Council/Agency Member Tate stated that several of the General Plan statements talk about job and employment. He indicated that this also came up in discussions in the Measure P update. He noted that there were no actions under Goal 1 relating to this. He felt that the Council needs to conduct a brainstorming session in order to try to achieve a housing/job balance. He understood why no actions were included but felt that the Council needs to discuss actions.

Mayor Pro Tempore/Agency Member Carr referred to Goal 2, policy 2b - "develop transit-oriented development with market rate housing in or adjacent to downtown." He stated that he was not sure that the sole focus should be market rate housing. He recommended that it be stated that there be a mix of market and affordable income housing.

Council/Agency Member Tate said that the entire work being conducted on the Downtown Plan has to overlay what is being done here. He recommended that goals, policies, and actions be kept in sync as the City moves along.

Council/Agency Member Sellers felt that the attraction of one or more major catalyst tenants in appropriate locations would be an outcome of the Downtown Plan. He felt that several outcomes will be similar to the actions listed.

Mayor Pro Tempore/Agency Member Carr stated that the General Plan talks about appropriate uses at the street level facing the downtown and side streets. He inquired if this was something that was inherent in the policies because it is a part of the General Plan or should it be spelled out in the actions?

Mr. Toy said that the policy could be amended to make it a broad implementing recommendation in the implementation plan portion of the Downtown Plan.

Council/Agency Member Sellers indicated that it was his belief that an implementation plan would be a result of the Downtown Plan both as an action and policy. He said that the Downtown Plan

Committee looked at both north and south of downtown and identified opportunities for office/realty type of business opportunities in these areas as opposed to the downtown corridor. This will also be seen as part of the economic development incentives and policies that the Morgan Hill Downtown Association is implementing as this is a concern to the merchants in developing a business mix.

Goal 3, Policy 3c - Evaluate and revise entitlement process to reduce processing time

Mr. Toy stated that the Council is working on this policy with the development audit. In addition, this policy was ranked high in the questionnaire that the Council responded to.

Goal 3, Policy 3e - Encourage the assembly of parcels needed for commercial/industrial development at the three highway interchanges in Morgan Hill

Mr. Toy indicated that it was not clear whether the Council believes that Policy 3e is a good policy and consistent with Council direction. He requested Council direction as to whether this is an appropriate policy.

Council/Agency Member Sellers said that he did not have a need for discussion about where financial resources are to be directed. He indicated that in past years, there was an attempt to assemble parcels for an auto row and that there was a significant amount of capital dedicated to this process to no-good end. He felt that there were certain areas that the City could make an investment and make something happen that would not otherwise happen. In other cases, he felt that the goal should be to try to avoid any expenditures of City funds and to do other things that would achieve the same results. He wanted to avoid what other cities have done when they give several million dollars to someone who is going to locate in a community anyway. He recommended that property owners be encouraged to get together to develop a PUD that encourages the process and gets them primed for the right moment for development as opposed to buying parcels or providing other forms of economic stimulation.

City Manager/Executive Director Tewes indicated that staff does not believe that this policy always means spending City money to help assemble parcels. Another resource that can be allocated is City staff time. He indicated that he spends most of his time, in terms of economic development, working with land owners and potential developers to try and assemble parcels.

Mayor/Chairman Kennedy felt that it should be the City's goal to have a PUD that would take an entire area and make it work. In order to accomplish this, it may mean using City resources and not monies.

Council/Agency Member Sellers referred to Action item 3.1, "Continue providing business ombudsman services to the community." He noted that this was discussed earlier this evening and that this may or may not be the direction that the Council would want to go. He did not know if this needed to be an action item.

Council/Agency Member Tate noted that action item 3.1. is an action item from the General Plan. He would support action item 3.1. as long as the City can increase the efficiency and effectiveness of the ombudsman program.

Mayor Pro Tempore/Agency Member Carr said that throughout discussions, the Council/Agency indicates that there is a desire to leverage City dollars because there are limited economic development dollars. He said that there were other accounts of redevelopment dollars that can be used in partnership with the various goals. He felt that dollars can be used for the housing strategy in discussions about the downtown. There may be ways to use flood control street dollars to assist economic development. He did not believe that this needs to be spelled out as an action item and that how dollars can be leveraged should be a philosophy of the Council/Redevelopment Agency. He recommended that thought be given to the use of the entire Redevelopment Agency dollars and not just the funds earmarked for economic development to better leverage meeting the goals of economic development.

Council/Agency Member Tate noted that Goal 2 contained a specific action to invest in specific opportunity sites. He felt that the City could invest in specific situations as long as there was leverage in doing so. However, he did not believe that you can perform isolated situations that do not impact other things without running out of money quickly.

Council/Agency Member Tate referred to Goal 5, policy 5j and felt that the City was starting from ground zero in order to develop an economic development strategy.

City Manager/Executive Director Tewes said that this is an issue about whether a city government should take a stronger role in economic development. He felt that Morgan Hill has been successful in its economic development efforts as it has had remarkable successes. This has occurred without an explicit five year plan. He said that this policy is addressing some of the comments made by Council members that it wanted to have a more explicit role for city government in establishing a five-year business plan.

Council/Agency Member Tate referred to action 5.4 which states "prepare a target industry analysis" and stated that he agreed with this action. He felt that it was important to develop an industrial/commercial development strategy.

Mr. Toy stated that an industrial/commercial development strategy is a key component to driving what the Council's program will be for business attraction and retention, including a marketing plan as to who would be marketed. It was his belief that the goals, policies and action items would help set the priorities for some of the issues that may come up as part of the different programs are developed.

Mayor/Chairman Kennedy felt that this appears to be a strategy within a strategy. He said that the entire issue being discussed is an economic development strategy.

Mr. Toy indicated that there is an overall strategy and that this is one key component of the overall strategy. He said that each part of the goals, policies, and actions are key components. He stated that policies and actions and the five-year plan are the major components needed in order to consider an economic development strategy.

City Manager/Executive Director Tewes stated that the controversy in local economic development is whether or not it is appropriate to establish target industries or whether it is more appropriate to

establish an environment or climate that allows entrepreneurship and new and emerging industries to thrive rather than local government selecting them.

Council/Agency Member Sellers said that you cannot create what does not already exist and you cannot rush a development process. He noted that an auto mall attempt came out of a development strategy. He stated that San Jose fell short because they tried to create what the environment was not there to create and that he did not want to follow this path.

Mayor/Chairman Kennedy stated that this is a goal that the City needs to be careful about and felt that this particular point needs to be revisited.

Mayor Pro Tempore/Agency Member Carr was not sure that the two sides being laid out this evening are mutually exclusive. He felt that the way staff has laid out these action items is appropriate. He did not believe that the City was trying to create an atmosphere that does not exist but that the City does not know what environment or atmosphere does exist to draw industry. He felt that the Council needs to figure this out so that it can further this and further industry.

Mr. Toy informed the Council that staff did not provide specific actions for each policies. It was more of an illustration of what the City could do and include in the plan.

Mayor/Chairman Kennedy opened the floor to public comment.

Alex Kennett felt that staff performed an excellent job on the goals, policies and actions for the Council to review on the economic development strategy. He felt that the Council is having a difficult time determining where the remaining Redevelopment Agency funds for economic development are best spent. He hopes that one of the decisions would be through marketing per the plan offered by the Chamber of Commerce. He said that the Chamber of Commerce believes that the goals stated in their marketing plan supports the goals outlined in the economic development strategy draft presented by staff. He felt that marketing is the key ingredient to the success of reaching both sets of goals. He said that the Chamber of Commerce has some concerns about some options stated in the draft document, specifically, the possibility of hiring consultants for various functions. He noted that a proposal has been received by the City for a consultant to develop and implement a retail strategy for \$130,000 based on a 41-week implementation schedule. He agreed that the expertise of consultants is needed for certain jobs but acknowledged that there is local talent and expertise in the community. He felt that some of the strategies can be accomplished by working together and not spending this kind of money. He stated that the Chamber of Commerce's marketing plan was developed to market Morgan Hill for economic development tourism based on the direction of the Council. He said that the economic development strategy would be a guideline for what will be marketed. If the plan needs to be modified to fulfill the goals and policies of the economic development strategy, the Chamber is opened to doing so. Since the Chamber of Commerce's marketing plan was developed as a joint partnership with the City of Morgan Hill, he recommended that the Council provide its comments and to direct City staff and the Chamber of Commerce to continue to work together in revising and revisiting the economic development strategy based on Council comments this evening before returning with a draft document. As an alternative, the Council could schedule another workshop. He understood that the Chamber was criticized for not having measurable goals contained in their marketing plan. He felt that the \$130,000 for consultants

could be better spent. He felt that the Chamber could help the Council achieve its economic development strategy.

No further comments were offered.

Council/Agency Member Tate concurred with furthering the partnership with the Chamber of Commerce and the community. He noted that the report includes an action item under 4.6 that talks about establishing an economic development subcommittee consisting of Council members. He stated that it seems that the Chamber already has an economic development committee that Council members serve on, noting that he is the current Council member serving on this committee. He indicated that there could be more Council members on the committee. The Council committee, in partnership with the Chamber, work with them and use their expertise in helping the City with economic development and develop this action in partnership. He felt that this was why the economic development committee was put together to do. He noted that under Goal 6, there is an action to establish a subcommittee to work with the Chamber on tourism. He indicated that he is the Council member assigned to this committee of the Chamber of Commerce. He felt that there were natural partnerships that already exist that do not need to be reinvented but that they could be redirected based on the strategy and some of the specific questions that need to be answered. He pointed out that mechanisms are already in place.

City Manager/Executive Director Tewes said that staff may not have made it clear under item 4.6 that the City does not have a loan committee that establishes underwriting criteria in place as other communities have. The Council would need to decide under what circumstances it would subsidize a business or offer grants, loans or land write downs. Staff was thinking, under item 4.6, to establish a formal way to evaluate requests for financial assistance from the City. Under this recommendation, staff would be suggesting that it might be useful to establish some criteria up front similar to the Council's business assistance guidelines and what the City's underwriting criteria would be when a developer comes to the City indicating that their project will not work unless the City helps subsidize improvements and/or fees.

Mayor/Chairman Kennedy recalled that a staff committee reviewed a request for business assistance.

Mr. Toy indicated that the City had an economic development loan committee that consisted of a lender from the community and in house staff.

City Manager/Executive Director Tewes indicated that this economic development loan committee has not met since his tenure with the City. He was not aware under what criteria or parameters they were established. He said that staff believes that it would be helpful to have a Council member input into this action item.

Council/Agency Member Sellers inquired if the Council/Agency would be looking at another workshop, establishment of a subcommittee action or a third step of evaluation to conclude discussions on this item? He felt that the Council/Agency would be able to defer to staff and/or subcommittees that would report back to the Council.

Mayor/Chairman Kennedy inquired whether the Council/Agency has enough information based on

the input presented this evening to prepare a final document for Council consideration/approval for the October 2 meeting?

City Manager/Executive Director Tewes informed the Council that the staff reports for the October 2 meeting are due tomorrow morning.

Mayor Pro Tempore/Agency Member Carr indicated that he would not be present at the October 2 meeting and that he would like to participate in this discussion.

Council/Agency Member Sellers felt that it may be helpful to wait several weeks to reconsider this item. He noted that the Council/Agency did not discuss this evening options for implementation of the goals and policies. He did not believe that it would be possible to return with recommendations based on discussions to date. He stated that it would be helpful to consider proposed recommendations.

Mayor/Chairman Kennedy inquired whether there was a time urgency in moving forward with the economic development strategy?

Mr. Kennett indicated that the Chamber of Commerce's new/restructured economic development committee will be meeting tomorrow and invited Council members to attend this meeting, subject to the Chamber's liaison approval. He recommended that further discussion occur when all Council members can be in attendance and has had the opportunity to study the economic development strategy.

Mayor Pro Tempore/Agency Member Carr agreed that Council members' schedules should be taken into account. However, he felt that there was some urgency to this because the Council has been working on this for a year, noting that it was the fall of last year when the Council had its first economic discussion when staff brought back the budget realities that the City was being faced with. At that time, the Council requested that staff make 5% budget cuts. It was his hope that the Council would continue working on this issue. When this item returns, he felt that it would be important to look at financial implications. He stated that following each goal, there are options and issues to consider, noting that there is a finite amount of funds available. He stated that he needs to have a better understanding of the financial implications so that he can help prioritize what areas are important and to see if there are ways to leverage other funding sources (e.g., housing, flood control, street dollars). He felt that the Council needs to set priorities based on the limited amount of dollars available.

Mayor/Chairman Kennedy felt that it would be important to have a formal subcommittee of the Council with two members serving on the economic development subcommittee. He felt that this action should be taken as soon as possible. He recommended that appointment of a two-member economic development subcommittee be brought back along with the other recommendations as a formal action as soon as possible.

**Action:**        *By consensus, the City Council/Redevelopment Agency **Directed** staff to return with the appointment of a two-member Council economic development subcommittee along with other recommendations as soon as possible for City*

*Council/Redevelopment Agency consideration.*

**CONTINUED CLOSED SESSION**

City Attorney/Agency Counsel Leichter indicated the City Council/Redevelopment Agency would be reconvening to closed session to discuss the closed session items as listed above.

**ADJOURN TO CLOSED SESSION**

Mayor/Chairperson Kennedy adjourned the meeting to closed session at 10:13 p.m.

**RECONVENE**

Mayor/Chairperson Kennedy reconvened the meeting at 11:12 p.m.

**CLOSED SESSION ANNOUNCEMENT**

Agency Counsel/City Attorney Leichter announced that no reportable action was taken on the above listed closed session items.

**FUTURE COUNCIL-INITIATED AGENDA ITEMS**

No items were noted.

**ADJOURNMENT**

There being no further business, Mayor/Chairperson Kennedy adjourned the meeting at 11:13 p.m.

**MINUTES RECORDED AND PREPARED BY**

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**IRMA TORREZ, City Clerk/Agency Secretary**